



February 3, 2015

Senator Chris Coons  
Russell Senate Office Building, Room: 127A  
Washington, DC 20510

Dear Senator Coons:

On behalf of the National Association of Health Underwriters representing 100,000 licensed agents and brokers who are engaged in the sale and service of health insurance and other ancillary products and serving employers and consumers around the country, I want to commend you on your efforts to pass legislation to expand and create a usable small business tax credit.

The Small Business Tax Credit Accessibility Act is a fix to the Affordable Care Act that would improve, expand, and simplify the small business tax credit. By making the tax credit more accessible and available for a longer period of time, it ensures that more small businesses will be able to provide affordable, high-quality health insurance to their workers.

Brokers and agents have tried to make the existing tax credit under the Affordable Care Act work for small business to provide healthcare to their employees, but according to a Government Accountability Office (GAO), study fewer small employers claimed the credit for tax year 2010 than were thought to be eligible based on rough estimates of eligible employers made by government agencies and small business groups. The GAO study went on to suggest there was low use of the tax credit because many small businesses didn't actually qualify due to credit size and sheer administrative complexity.

The Small Business Tax Credit Accessibility Act addresses several of these concerns: The bill raises the maximum size of eligible small businesses from 25 employees to 50 employees. We are supportive of the provision that eliminates the requirement that employers claiming the credit contribute the same percentage of the cost of each employee's health insurance and increases the threshold for a firm to receive the biggest possible credit from 10 to 20 full-time employees because as the GAO stated only 170,300 firms actually claimed the credit in 2010. Of these, only a small fraction, 17 percent, were able to claim the whole credit. This change will allow business to continue to grow while receiving the tax credit. These fixes, all supported by the GAO report would allow more small businesses to take advantage of the small business tax credit, extending employer-sponsored health insurance coverage to more of the nation's small businesses employees.

We appreciate your leadership on this important issue for small business and their employees, and look forward to working with you and your colleagues in enacting this bipartisan legislation this year.

Best regards,

Janet Trautwein  
Executive Vice President and CEO